American Journal of Industrial and Business Management, 2019, 9, 1254-1283
http://www.scirp.org/journal/ajibm
ISSN Online: 2164-5175
ISSN Print: 2164-5167

Unbridled Commitment to Profit by Nigeria's Electricity Distribution Companies and Spirituality in Consumer Value Creation: An Assessment of the Adoption by the Ikeja Electricity Distribution Company of the Inherited Industry-Wide Strategy of the Estimated Consumer Billing System

Patrick S. Ohikhena[1], Williams Akerejola[1], P. O. Emenike[2]

[1]Department of Business Administration, Wellspring University, Benin City, Nigeria
[2]Emenike and Co, Chartered Accountant-Audit Firm, Benin City, Nigeria
Email: registrar@wellspringuniversity.edu.ng, registrar@wellspringuniversity.edu.ng

How to cite this paper: Ohikhena, P.S., Akerejola, W. and Emenike, P.O. (2019) Unbridled Commitment to Profit by Nigeria's Electricity Distribution Companies and Spirituality in Consumer Value Creation: An Assessment of the Adoption by the Ikeja Electricity Distribution Company of the Inherited Industry-Wide Strategy of the Estimated Consumer Billing System. *American Journal of Industrial and Business Management*, **9**, 1254-1283.
https://doi.org/10.4236/ajibm.2019.95084

Received: April 18, 2019
Accepted: May 28, 2019
Published: May 31, 2019

Copyright © 2019 by author(s) and Scientific Research Publishing Inc.
This work is licensed under the Creative Commons Attribution International License (CC BY 4.0).
http://creativecommons.org/licenses/by/4.0/
Open Access

Abstract

The study was to investigate how the unbridled commitment of the electricity distribution companies in Nigeria to profit affects their spirituality in consumer value creation; while also establishing the extent to which the distribution companies have affected the consumers with the fraudulent and unethical estimated and coded billing system inherited from the defunct Power Holding Company of Nigeria. Focus was on Ikeja Electricity Distribution Company. Within the operational domain of Ikeja Electricity Distribution Company, the study concentrated on the electricity consumers in Alimosho Local Government Area in Lagos State. The sample size was 377 calculated using Raosoft sample size calculator. Out of the 377 copies of the questionnaire administered, 322 were returned fully completed representing a response rate of 85.41%. Two hypotheses were tested; and they showed that: 1) The unbridled commitment to pursuit of profits by the electricity distribution companies (Discos) as private investors has a significant effect on their ability to adhere to spirituality in value creation for the electricity consumers; and 2) The adoption of inherited billing system by the electricity distribution companies (Discos) as private investors has a significant effect on their ability to adhere to spirituality in value creation for the electricity consumers. The analysis of data was done with Z test. There were 14 findings. The main recommendation is that the distribution company should jettison the fraudulent and unethical estimated and coded billing system and embrace spirituality in value creation using the generic building blocks of competitive advantage: efficiency, quality, innovation, and customer responsiveness which will make them gain competitive advantage over their rivals; even the industry is eventually deregulated.

Keywords

Unbridled Commitment to Profit, Spirituality, Value Creation, Fraudulent, Unethical, Estimated Billing, Coded Billing

1. Introduction

Investors are often faced with the twin issues of being committed solely to making profit for self-aggrandizement or producing high quality differentiated goods and services ethically which could result in customization of such products in a segmented market leading to customer satisfaction and delight but could involve some high costs which could give rise to reduction in profit. These investors' positions form the basis of an on-going debate as to whether companies should pursue accumulating "goods" or choose cultivating "goodness" in their strategic directions or both. The pursuit of goods emphasizes wealth creation which may not be in accord, but in conflict, with goodness, which itself refers to ethical standards involved in doing business [1] [2].

Simply put, the pursuit of goods is essentially the pursuit of profit as the goal of the firm; while the goal of those in pursuit of goodness refers to how the goods and services are produced in such a way that the interest of the customer or consumer is given a priority attention. This presupposes that the product or service offered should come with the value (benefits) which the consumer should derive from it. However, more often than not, how the wealth is created, how it is distributed, and for what purpose it is used, may not deliberately aim at creating value in the best interest of all the stakeholders, majorly the consumers; it may just be to create profit to benefit the shareowners only [1] [2].

Although it is an accepted fact that business organizations are out to create surplus in form of profit [3]; and the profit is only possible through the customers without which there is no business [4], the two groups of people whose interests could sometimes be diametrically opposed in business are the shareowners and the customers. By reason of their investment in the firm, the shareowners are more interested in profit, no matter how it is made; while the customers are interested in their satisfaction through quality and affordable goods and services obtained in the marketplace. Simply put, profit refers to the outcome of the company's managerial and operational efficiency; while profitability, which some people sometimes used interchangeably with it, refers to the company's managerial and operational efficiency or the ability to generate profit on sales

[5].

Goodness in business, which falls within the gamut of spirituality in business, means different things to different stakeholders; depending on the exchange relationship that each has with the company. These differences in their positions emanate from the fact that each of them supplies the firm with vital resources in form of contributions; and each expects its interest to be satisfied by the company in form of inducements. For instance, the shareholders provide the capital and in exchange they expect return on their investments from the company; employees give their labour and in exchange they expect income, job security, job satisfaction, and good working conditions from the company; customers supply the company with revenue and in exchange, they expect high quality affordable products and services that provide value; suppliers supply inputs and in exchange they expect revenue and good buyers; the Government provides the company with an enabling environment for fair competition and in exchange expects the company to obey the laws and pay taxes, rates and royalties, the local communities provide local infrastructure and in exchange they expect the company to be a good corporate citizen; the general public provides national infrastructure and in return expects the company to do business to uplift its quality of life [6].

One critical factor that comes up for consideration when government companies are about to be privatized is that of reconciling the conflicting objectives of profitability and the public interest [7]. As a result, the investment decisions of prospective investors in the companies to be privatized, as part of their strategic decisions, are majorly based on computations which aim essentially at shorter payback periods (periods within which it will be possible to recoup initial investment costs); and the consideration is also focused on their expected rates of return on investment which must be very high, as shown in the privatized companies' "ability" to generate sufficient incomes and "profits" within a short time. However, such prospective investors who may be *qua capitalists* may not think of the value that they are expected to create for the customers for whom the goods and services of the companies would be produced.

What then is spirituality in business? Some scholars define it as simply consisting of the personal values of honesty, integrity, and good quality work. Some other scholars see it as treating co-workers and employees in a responsible and caring manner. For others, it means participating in spiritual study groups or using prayer, meditation, or intuitive guidance at work. Yet others see it as making business socially responsible with regard to how it impacts the environment, serves the community, or helps in creating a better world [8].

The resolution of this quagmire has given rise to another intellectual position which advocates the need for companies to find the right mix of "goods" and "goodness" that a firm would require to meet the expectations of the stakeholders. In effect, companies are always faced with the challenge of being in operation to strike a balance between making profits and doing good business [1] [2].

From the foregoing, one can deduce that in the process of privatizing companies, the government has the duty to act in the common good of the governed that of a right should enjoy the dividends of having a government in power. This is a responsibility which should also form part of the responsibilities of a company that is a socially responsible corporate citizen. Besides, the company must also satisfy its multiple stakeholders; with some having their interest on the company's ability to exhibit goodness and others on the company's profits.

The power sector in Nigeria was privatized in 2005 to pave way for a private-sector driven sector. Hitherto, all measures taken by government to manage the sector through structural changes which saw the Electricity Corporation of Nigeria (ECN) metamorphose into the National Electric Power Authority (NEPA) and into the Power Holding Company of Nigeria (PHCN) yielded no appreciable results as the sector had remained comatose. The position prior to the privatization of the sector was that individuals and corporate bodies, including manufacturing companies, were forced to generate power on their own. As a result, distributors of electricity generating plants inundated all parts of the country as they experienced a boom in their business.

The privatization of the Nigerianpower sector has given rise to three segments of the sector which represent the supply side: generation, transmission, and distribution. In furtherance of its statutory mandate to ensure an efficient and fair electricity market that will allow for an adequate, reliable and affordable supply of electricity to consumers, the Nigerian Electricity Regulatory Commission (NERC), which was established by law to regulate the industry, initiated several programmes and schemes to stimulate metering of unmetered customers. One of such initiatives is the Credit Advance Payment for Metering Implementation (CAPMI) which allows customers to make advance payment of money for purchase and installation of meters; which meters should be mandatorily installed by the electricity distribution companies (Discos) within 45 days. This initiative was in recognition of the fact that the Discos were heavily burdened with a lot of take-off challenges; as a result of which, it was envisaged that they would not have enough funds to deploy to purchase of meters at take-off for installation in the premises of deserving customers [9]. Surprisingly, it would appear that the initiative died on arrival as NERC [10] observes "however, (that) a lot of DISCOs were non-compliant with CAPMI" (p. 21).

This study, which is an assessment of the unbridled commitment to profit by the electricity distribution companies in Nigeria, with particular focus on the Ikeja Electricity Company of Nigeria, and how this commitment affects their spirituality in consumer value creation, is unique. The uniqueness lies in the fact that although there have been some attempts in previous studies to examine the privatization of the power industry in Nigeria and the poor services being rendered by the Discos in Nigeria, to the best of our knowledge, there is no empirical study with the focus on establishing a relationship between their uncontrolled commitment to profit through their adoption of the estimated billing system which they inherited as an industry-wide strategy from their precursor, the Power Holding Company of Nigeria (PHCN), and the ability to embrace spirituality in creating value for the electricity consumers. For instance, the more recent works of Ayodeji [11] and Aminu and Peterside [12] found out that owing to the drive for profit by the investors in the power sector in Nigeria, the staff of the privatised PHCN have been retrenched, and there are unofficial increases in tariff without commensurate commitment to supply of electricity. BabaGana [13], KPMG [14] identify one of the problems in the power sector in Nigeria to be that of liquidity arising mainly from the failure of the projections in the business plans of the operators. All these works did not go further to look into the area of the Discos' adoption of the strategy of spirituality in value creation for the consumers.

Besides, as an empirical study the significance and contributions of the study lie in the fact that it will increase the frontier of knowledge in the areas of power distribution, metering, pricing and service delivery not only in Nigeria but other countries where electricity supply has been problematic. It will also increase knowledge in market penetration for new products, product repositioning, product life cycle and spirituality in business. It is also a contribution to the evolving paradigm shift from the shareholder value point of view of organizing a firm based on a narrower perspective of the firm making profit to satisfy the shareowners only, irrespective of how the profits are made, to the broader perspective of the stakeholder value of ensuring that such profits are made by adopting a corporate social responsibility perspective which embraces spirituality in making profits that are sustainable. For instance, the extant literature contains theoretical postulations as well as empirical studies that new entrants into an industry should lay more emphasison market penetration, which, as the initial stage of their product in the product life cycle, involves heavy injection of capital to carry out research and development, embarking on aggressive advertising and creating customer awareness, as well as ensuring quality services to be able to build brand loyalty and customer loyalty. On the contrary, the approach of the Discos in the power industry in Nigeria, which was already bedevilled with daunting challenges, is the opposite. Without adequate knowledge and information about the electricity industry, the Discos came into the industry, which has a long gestation period, with the mind to reap early profit. They failed to allow their product to move through the life cycle by introducing it as a new product and on to maturity. At the stage of maturity, it could have become a brand with a brand name and reputation, and the reaping of profit would have been surer as a result of consistent reduction in costs.

Furthermore, the results of this study on the Ikeja Electricity Distribution Company as a microcosm of the power industry in Nigeria would provide policy makers in government the ingredients for policy in ensuring that electricity consumers get value for their money; the managers and employees of the Discos in the industry, would be in a position to formulate strategies to reposition their companies along the path of value creation. This will involve looking at the other side of adopting a spiritual perspective which entails transparency, trust, customer engagement, customer responsiveness, etc. that ensure that their operations give rise to long-term sustainable profits and growth. The academics and students in the disciplines of management, business, accounting, and economics, who are interested in the power industry would find the results useful in further research efforts in these fields of study.

However, the study is faced with limiting factors in the areas of lack of a suitable theoretical frame work to guide the work, and a dearth of empirical studies in the power industry in Nigeria. There are also geographic and financial constraints as well as reluctance on the part of respondents (consumers) to provide adequate information pertaining to the study.

The work is organized as follow:

1) Statement of the problem;
2) Objectives of the study;
3) Review of related literature;
4) Methodology;
5) Analysis of data;
6) Hypothesis testing;
7) Discussion of findings;
8) Conclusion and Recommendations.

1.1. Problem Statement

With particular reference to customer billing, Section 32 (d) of the Electric Power Sector Act 2005 provides that the Nigerian Electricity Regulatory Commission (NERC) shall ensure that prices charged by the operators, the electricity distribution companies (Discos), are fair to customers, and sufficient to allow the operators to finance their businesses in such a way that they are able to have reasonable earnings for efficient operation. Thus, the NERC is a Federal Government's independent regulatory agency committed to providing a level playing ground for all investors in the industry, on the one hand; and between the investors and the consumers of electricity, on the other. In playing the regulatory role, the NERC is required to promote and ensure that there are efficient market structures and an investor-friendly industry to meet Nigeria's need for safe, adequate, reliable and affordable electricity [15].

In order to ensure that electricity billing takes into consideration the prevailing economic realities, the Commission on July 1, 2008, established the Multi-Year Tariff Order (MYTO) pursuant to Section 76 of the Act. The MYTO is a methodology for a 15-year tariff path for the electricity industry which allows for major reviews in tariffs every 5 years and minor reviews yearly depending on a number of parameters which include inflation and gas prices. The 5-year MYTO for determination of charges and tariffs for the period July, 2008-June 2013 was issued on July 1, 2008 [15].

It is pertinent to observe that in spite of the regulatory framework to ensure that the distribution companies and the consumers operate in a friendly business relationship; fraudulent and unethical estimated and coded billings have continued to loom large in all the operational areas of the Discos nationwide. The story is the same in Ikeja Electricity Distribution Company, Abuja Electricity Distribution Company, Benin Electricity Distribution Company, Eko Electricity Distribution Company, Enugu Electricity Distribution Company, Ibadan Electricity Distribution Company, Jos Electricity Distribution Company, Kano Electricity Distribution Company, Port Harcourt Electricity Distribution Company, and Yola Electricity Distribution Company [15].

The Discos have failed to provide meters to consumers as contained in the performance agreement which they signed with government; and have instead comfortably settled for the estimated billing system which they inherited from the privatized Power Holding Company of Nigeria (PHCN) in spite of the fact that electricity supply has not improved with the privatization of the power sector. The customers are complaining that they have no value for the bills they are paying because whether or not there is electricity supply, the Discos must send their post-paid electricity bills for payment. There are complaints from electricity consumers who are billed for electricity not consumed or billed outrageously higher than their consumption levels. The angry consumers register their protests through physical visits to the offices of the Discos; in some other cases individual, industrial, and community consumers that have not had electricity supply for years yet receive regular bills embark on mass protests to register their displeasure; while some consumers register complaints online to the customer care units of the Discos. There are even allegations from some electricity consumers, who have had prepaid meters installed in their premises, that the meters installed in their premises were programmed to consume faster in order to record outrageous estimated billing instead of actual readings of electricity consumed. Although the Discos claim that they were not the manufacturers of the pre-paid meters, the problems with estimated billing have remained unabated.

However, while the arguments of underfunding advanced by the Discos for their inability to create value for their consumers in their service delivery cannot be wished away, it is not certain that this could assuage the expectations of the consumers considering the fact that their precursor, the privatized PHCN, had meted similar treatment on their customers which involves forcing monthly fraudulent estimated bills down their throats unabated.

On the whole, there is an observable gap between the actual level of service the Discos' render to their consumers in the face of their unbridled pursuit of profits through the illegal, unethical and fraudulent billing system and the expected level of services that they would have rendered to their consumers in such a way that the consumers would have value for the bills they pay. In other words, how is the Discos' inability to run their companies in a manner of spirituality affecting the value that the customers ought to derive from their services?

1.2. Research Objectives

The objectives of this study are:

1) To ascertain that the unbridled commitment by the electricity distribution companies (Discos) as private investors in the Nigerian power sector to the pursuit of profit has a significant effect on their ability to adhere to spirituality in value creation for the electricity consumers.

2) To establish that the adoption by the electricity distribution companies (Discos) of the estimated billing regime inherited from the Power Holding Company of Nigeria has a significant effect on their ability to adhere to spirituality in value creation for the electricity consumers.

1.3. Research Hypotheses

1) The unbridled commitment to pursuit of profit by the electricity distribution companies (Discos) as private investors has a significant effect on their ability to adhere to spirituality in value creation for the electricity consumers.

2) The adoption of inherited billing system by the electricity distribution companies (Discos) as private investors has a significant effect on their ability to adhere to spirituality in value creation for the electricity consumers.

2. Review of Related Literature

2.1. The Concept of Privatization

The debate as to whether privatization or public ownership is in the public interest has been on with some scholars arguing that private ownership does not automatically translate into improved efficiency. Besides, private sector managers may not be compelled to adopt profit-making strategies as they incorporate practices that make their services unaffordable to large proportions of the population who are indigent or poor. Another issue is not whether ownership is private or public but under which of the cases will managers act better in the public's interest. With the emergence of mergers and acquisitions, some critics argue that privatization merely involves the displacement of one set of managers who are entrusted by the citizens as shareholders by another set of managers who are answerable to private shareholders [16].

As a result, it is therefore being widely argued that the private ownership alone does not guarantee that managers will act in the shareholders' best interest. More often than not, the increase in shareholder value noticed after mergers and acquisitions is attributable to the market's anticipation of efficiency, improved customer service, and general managerial effectiveness. These are gains leading to maximization of shareholder value which involve firm staff reduction, removal of unprofitable activities, and improved incentives for managers. That being so, the opinion being expressed is that it is not the form of ownership that matters but the managerial accountability to the public's interest which involves the removal of public sector managerial practices [16].

Interestingly, the redirection of focus to managerial control away from the ideological perspective of the dichotomy between public and private sectors has made it easier to bring to the fore the more pragmatic issues of managerial behaviour and accountability. A summary of the arguments for and against privatization as seen in the literature can be summarized from three perspectives; namely, 1) Managers, public or private, will always act in the best interests of their shareholders. For privatization to be effective therefore, private managers should be given incentives to act in the public interest, which reduces efficiency, amongst other things; 2) Managerial behaviour can be disciplined where there is competition. Therefore, for profits and public interest congruence to exist, the privatized service or asset should be in a competitive market; and 3) The simple transfer of ownership from public to private hands will not automatically reduce cost or enhance the quality of services. Rather, where the above conditions are not met, government's involvement in these services will become inevitable [17].

On what should be done to ensure that the process of privatization achieves the desired objectives, it should be appreciated that privatization is one of the strategies adopted by nations within the gamut of the broader structural adjustment reform initiative. It therefore requires a great deal of political will and commitment to overcome bureaucratic bottlenecks; ensure that objectives have been clearly defined and prioritized, and that the sale of the state enterprises is based on commercial considerations. Besides, the exercise should as much as possible be carried out in a transparent mannerso as to enhance integrity and ensure credibility with potential investors and public support. Prior to privatization, an effective communication campaign is very important to explain the objectives of the programme. Some of the objectives include "fiscal objectives, attracting investment, improving corporate efficiency and performance, introduction of competition into hitherto monopolistic markets, capital market development, as well as political objectives" (p. 8). It is pertinent to observe that in the privatization of the PHCN, much as many consumers had wished for it to happen, there was no enough public sensitization in form of campaigns as to the integrity and credibility of the investors, let alone their competencies and pedigree in the power sector. It was more of political consideration [7].

2.1.1. Empirical Studies on Privatization

Majority of previous studies focused on the impact of privatization on profitability, real output, investment, productivity, and employment. Less attention has been directed to macro-economic and fiscal impacts, as well as the effects of distribution on privatization. Besides, one important objective of privatization to which considerable attention ought to be directed is how it improves efficiency and performance of companies. However empirical evidence shows, in spite of data collection and methodological challenges, that privatization results in significant increase in profitability, real output, and efficiency of privatized companies. The pursuit of fiscal objectives in the Organization for Economic Co-operation and Development (OECD) countries with regard to privatization has recorded some successes where governments try to reduce deficits and debt, improve tax revenues from the privatized companies, and have some windfalls from sale. Empirical evidence also shows a positive relationship between privatization and improvement in the macro-environment. However, the results should be taken cautiously as there is no evidence of causality in the relationship. In the case of the distributional effect of privatization, this arises from the effects of privatization on income from employment, prices, and changes in access to goods and services that were provided by the privatized State-owned companies [7].

Looking at the objectives of privatization, one critical observation of the OECD Report is that privatization is also faced with the challenge of articulating and reconciling objectives and trade-offs. This is because there are interrelationships and sometimes conflicting relationships between objectives. For example, there are conflicting relationships in the objective of revenue maximization and creating competitive market structures; ensuring efficiency in the running of the companies and employment creation; profitability and public's interest; etc. As a result, the objectives must be clearly specified and prioritised before implementation. Besides, privatization of State-owned Enterprises (SOEs) requires skills and expertise that are not available in the public sector. As most privatization processes are driven by public officers and advisers, it is essential for the public sector to develop "intelligent customer" capability to fully understand the quality of advice from experts [7].

Anyanwu, Oyefusi, Oaikhenan and Dimowo [18] and Tesse [19] identify the objectives of commercialization and privatization in Nigeria to be: 1) to improve efficiency and profitability in public enterprises 2) to reduce dependence of public enterprises on government treasury 3) to create public participation by Nigerians in these enterprises 4) to avoid unnecessary duplication, and 5) to encourage cheaper borrowing.

However, the application of privatization in the power sector has had its own challenges. Omonfoman [20] articulates some of the challenges to be in the areas of grid energy insufficiency and instability, network infrastructure, tariff and revenue shortfalls, metering, as well as operational and funding challenges. In the area of metering, he particularly notes that there was a huge metering gap, cases of estimated billing, and poor meter maintenance; while in the case of operational challenges he observes that there was a challenge arising from the quality of their workforce and large operational areas covered by the Discos. On the whole, he observes that these were essentially the same challenges that led to the privatization of the power sector; hence he argues that the challenges were underestimated or overlooked by the Bureau of Public Enterprises (BPE), the Nigerian Electricity Regulatory Commission (NERC), core investors, and the financiers.

Interestingly, Omonfoman [20] points out that one of the myths that had loomed large since the privatization is that the core investors injected millions of dollars as acquisition price for 60% shareholding into the Discos. He argues that this is not true. The true position, he points out, is that the acquisition price for the shares was paid directly to the Federal Government and that not a single kobo was injected by them into the operations of the Discos. Besides, he argues that a line of demarcation should be drawn between the "Core Investors" and the "Discos" as the two were distinct entities. Based on this understanding, he recommends that to resolve the challenges of the Discos, the core investors should, in keeping with the performance agreements they signed, capitalize the operations of the Discos through the injection of capital by way of long-term debt or equity as short-term debt or borrowings will not be able to solve the financial and operational challenges of the Discos.

On his part, BabaGana [13] reports that by 1999 the Nigerian Electricity Supply Industry (ESI) had reached its lowest point in 100 years. As a result, in 2006, the government decided to embark on fundamental changes to salvage the situation. As he observes, there was political support which led to the establishment of the Presidential Action Committee and a Presidential Task Force. Government took a decision to pay off the severance benefits and pensions of the 47,913 PHCN employees to provide a clean ground for the take-off of the successor companies. There was a process of negotiations of 14 months with the Unions prior to signing of an agreement which led to the payment of the severance benefits to 42,910 employees as at 2013.

In agreement with BabaGana [13], KPMG [14] identifies one of the problems in the power sector in Nigeria to be that of liquidity: the entire sector value chain is faced with service liquidity crises, arising mainly from the fact that at takeover the projections in the business plans of the operators could not be sustained. Secondly, the tariff could not also sustain the generation of sufficient revenues to cover costs of the entire value chain thereby leading to huge deficit in the power sector.

2.1.2. Privatization of the Power Sector in Nigeria from the Point of View of Dialectical Materialism

Adopting the theoretical stance of the Marxian dialectical materialism, Aminu and Peterside [12] explain why the privatization of the power sector in Nigeria is part of the class struggle between the *bourgeoisie* (who own and control the means of production including the government machinery) and the *proletariat* (who have only their labour to sell). As Marx [21] postulates, and to which Aina (1986 in Aminu and Peterside [12], Dyke [22], Ojobo [23], and Aminu and Peterside [12], also associate themselves, government and the State are instruments for the promotion of interests of those who own and control the means of production, leading to inequalities and domination and exploitation, of those who have their labour to sell.

In particular, Aminu and Peterside [12] argue that the privatization of the power sector in Nigeria is a classic example of the shift in emphasis of international capitalism from State ownership of means of production to private ownership. This power sector privatization, Ojobo (2005) explains, is a strategy by the ruling class in Nigeria to increase their ownership and control of the means of production in collaboration with the predators in the world capitalist system. As is characteristic of the capitalist system, the privatization of the power sector will only succeed in massive retrenchment of labour, hike in prices of goods and services beyond the reach of the working class, and the erosion of industrial democracy all because the motive of those involved is to increase profit [12].

Furthermore, Ayodeji [11] and Aminu and Peterside [12] also observe that owing to the drive for profit by the investors in the power sector, the staff of the privatised PHCN have been retrenched, there are unofficial increases in tariff without commensurate commitment to supply of electricity, and the companies that took over from PHCN are owned by a few political elites and their fronts, including past Presidents, Governors, Ministers, retired military generals, top politicians, top government contractors, etc., who have no experience in the power sector and with little or no capacity to manage the Nigerian power sector. On the whole, Ayodeji [11] and Aminu and Paterside [12] consider the privatization of the sector as a monumental rip off as government was expected to make N600 billion from the sale of PHCN which had been grossly undervalued to pave way for the buyers.

2.1.3. Profit in Business

Although profit and profitability are sometimes used interchangeably as though they are the same, there is a difference between them. Profit is an absolute measure of earning capacity; the "excess of return over outlay" [24]. In a business organization, the surplus, which is the profit, represents excess total revenue over total costs. As the main motivating factor for the business, it gives a report concerning the past activities and provides a platform for having a futuristic view of the business [25]. It is a critical factor in measuring the success of a business and a pointer to the effectiveness of the management in carrying out its basic functions of planning and decision making, organizing, leading, staffing and controlling [26].

On the other hand, profitability, which is made up of the words "profit" and "ability", is the relative measure of earning capacity [27]. As defined by Iyer (1995 in Nishanthini and Nimalathasan [27], profitability is "the ability of given investment to earn a return from its use" [27]; the firm's ability to make profit on sales or the firm's ability to generate sufficient return on the capital and employees employed in carrying out the operations of the business.

Profit is said to be the soul and the life-blood of any business, without which the business is lifeless; and as Lord Keynes would put it, profit is the engine that drives the firm [28]. It is a measure of the managerial and operational efficiency of a business; hence the larger the profits, the more efficient and profitable the business could be. As a result, some scholars have argued that where a firm does not record profit, the capital invested in the business could be lost; and where the situation persists, the business could close up completely [25]. Other striking benefits of profit to a firm, as Harley [29] summarizes include, but not limited to, the fact that it is a measure of the operational performance of a business, it provides financial stability, and gives rise to adequate returns to investors, replacement of fixed assets, improved standard for the workers and expansion of the business., especially where it is in an inflationary environment [29].

However, profit has different meanings depending on the use and purpose of the firm that intends to earn it [27]. As Weston and Brigham [5] would argue, to the financial manager, profit is a test of efficiency and a measure of control; to the shareowners, it is a measure of the worth of their investment; to the creditors, it is a margin of safety; to the government, it is a measure of the company's taxable capacity; and to the country, a measure of economic progress and an increase in the general standard of living.

Following from the diversity in the expectations of the stakeholders of the firm, it is instructive to observe that the way the stakeholder's view profits as a major determinant of the solvency of the firm differ. Interestingly, however, while managers, who are part the stakeholders, work assiduously to ensure that the firm is solvent, the case of the shareholders, who are the investors, is quite unique as, more often than not, their expectations run counter to the efforts of the managers in this direction. They are only interested in their company's profits, no matter how the profits are generated, for personal aggrandizement, and not necessarily for the solvency of the firm. Consequently, some shareholders and investors, from the period of conception of their companies, may not intend for them to remain as going concerns; they would prefer after some years for their companies to go into voluntary liquidation or be declared bankrupt by Court of competent jurisdiction on the pretext that the companies are unable to continue in business. The idea is that the liquidation of the companies would pave way for the emergence of new companies that would reap maximum profits while the businesses last [30].

However, even with the mentality and expectations of the shareholders towards profit maximization, modern financial management lays more emphasis on wealth creation and maximization [31]. One major flaw in laying emphasis on profit maximization is that it downplays the quality of future activities of the firm. It is not all the time that a business will aim at maximum profits because of several decisions that must be taken to make the business continue as a going concern. Some companies may place higher value on growth of sales and settle for lower profits to gain the stability arising from large sales volume; others will place more value on diversification by coming with different products or entering into different markets which could result in short-term decline; while others could engage in social responsibility which could reduce profit thereby undermining the goal of profit maximization [1].

On the other hand, wealth creation is about maximizing the value of the company in the long run. A company's wealth is described as the net present worth of the company. Unlike maximization of profits which focuses directly on profits, the goal of wealth maximization is more concerned with the impact of profits on the current market value of the firm's securities, especially the common stock. A firm that is doing well must show a correlation between the present worth of the firm and its long-term value; it must have high current value for it to be highly valuable in the foreseeable future. Therefore, maximization of wealth goes beyond profits, to consider the firm's growth, the level of risk acceptable to investors, the market price of the stock, and the cash dividends paid [1]. As a result, strategic decision makers in business organizations would prefer lay more emphasis on return on investments as against wealth maximization [32].

Furthermore, profits determine the liquidity of the firm. They serve as veritable instruments for measuring the competence and efficiency of the management of a firm as well as provide a platform for future financing of the firm [30]. It is noteworthy that firms often face the challenge of balancing profitability and liquidity. Liquidity means a company having adequate cash to meet maturing obligations as and when they fall due as well as sufficient cash reserves to meet emergencies and unforeseen demands, at all time. Some companies show commitment to the pursuit of profitability, while others could be committed to pursuing liquidity. However, profitability and liquidity move in opposite directions: a company may be making "paper" profits but does not have adequate liquidity as it is unable to meet maturing obligations as and when they fall due; while some may be enjoying adequate liquidity but could post little or no profits at year end. Therefore, the management of the company on whose shoulders lie the day-to-day running of the company is compelled to make business decisions that ensure that the company maintains adequate liquidity for the business to survive as well as post reasonable profits for the shareowners. They may not want to see the company become illiquid, insolvent, go into liquidation, or declared bankrupt [33].

2.1.4. Spirituality in Business

The literature is inundated with questions as to whether spirituality and profitability are mutually exclusive. However, there is a growing body of research by some scholars which shows that ethics and spiritual values in the workplace could lead to increased productivity and profitability, customer loyalty, brand reputation, as well as reduction in labour turnover and a high level of employee retention. As a result, more employers are embracing spirituality in the workplace as a way of boosting the acceptance and adoption of ethical and spiritual values among organizational members; and to increase staff morale, as well as to ensure that the products and services are produced and provided to the customers and clients based on ethical and moral standards [34].

Spirituality is not the same as religion. The difference can be seen from the point of view of externalities and internalities. Religion is more in the direction of adhering to the rules and rituals of a particular denomination with irrational belief that it has all-pervasive power; while spirituality tries to make an individual to achieve absolute freedom of mind that inspires him or her to accomplish laudable goals without attaching selfish motives [35]. Also, Krishnan [36] sees spirituality from the personal, interpersonal, and transcendent perspectives. Hence, he explains that it results in the "connectedness" among human beings; and indeed, has the "potential to transform the workplace into something remarkable"; while explaining also that it gives the experience of "connectedness" that leads to something that transcends the ordinary life. Besides, he propagates spirituality as a way people "seek, find, create, use, and expand personal meaning in the context of the entire universe". In support of Krishnan [36], Gupta and Pandey [37] draw attention to spirituality in the workplace as a fusion of three factors: harmony with the self, harmony in social and natural environment, and transcendence.

Without doubt, business occupies a prominent position in societal life today. It is therefore imperative that people become conscious of its responsibility to society and the enormous obligations placed on it to give back to society and the environment some part of what it has exploited from the society as profits. Extending this argument, Kapoor and Sandhu [38] argue that competition among business rivals is now based on the positive customer perceptions about the quality and the nature of a company's products and services, as well as its environmental awareness, and its government and community relations. Furthermore, recent research has also pointed out that when corporate social responsibility is integrated into management operations, the result is that it enhances social and financial performance.

2.1.5. Extant Research on Spirituality and the Bottom Line

McLaughlin [8] summaries some recent empirical research works on spirituality in business as follows:

1) In their review of some extant studies in the last 30 years, Orlitsky and Rynes (2003) in [8] show a significant relationship between socially responsible business practices and financial performance that varied from "moderate" and "very positive".
2) In the work done by Verschoor in [8], he found that companies which have defined corporate commitment to ethical principles perform better than companies that do not show commitment to ethics as a prominent component of management. The neglect for ethics and the subsequent scandals, for instance, adversely affected and created financial disaster for Arthur Andersen Consulting, WorldCom, Global Crossing, etc.
3) McKinsey and Company in [8] report from a recent research that companies that adopt spiritual techniques for their employees witness improved productivity and great reduction in employee turnover.
4) Furthermore, Mitroff and Denton (1999) in [8] found that "Spirituality could be the ultimate competitive advantage".
5) Also, Quinnin [8] reports that many of the companies he consults for demand confidentiality about the spiritual techniques he teaches them because they do not want their rivals to know how effective the spiritual approaches

are.

6) Similarly, MIT's Sloan Management Review in [8] in a study reported by it, opines that people are hungry for ways they can practice their spirituality in the workplace without offending their co-workers or causing problems.
7) On his part, Lewin in [8] found that companies which increased their community involvement were more likely to show in improved financial picture over a two-year period.
8) In the same vein, a two-year study by the Performance group in [8] which is a consortium of seven leading European companies such as Volvo, Monsanto, and Unilever, reports that environmental compliance and products that are eco-friendly can record increased profitability, and improve on earnings per share, and help to win contracts in emerging markets.
9) In a report by Business Week in [8], 95% of Americans reject that the primary purpose for setting up a corporation is to make moneyalone; 35% of US investors frequently check on business practices, values, and ethics before they invest; and
10) The Tends Report in [8] found in a poll that 75% claim they are likely to switch to brands "with a good cause" where price and quality are equal".

2.1.6. Customer Value Creation

Porter [39] points out that it is the activities that an organization actually carries out directly or indirectly for its customers; which are its functional strategies that create and build value and, indeed, leads to competitive advantage. Value creation therefore is the value that is created through the strategic positioning of a company in such a way that its capabilities are utilized to transform its tangible and intangible resources through superior efficiency, superior quality, superior innovation, and superior customer responsiveness using the strategies of cost leadership and differentiation [6].

For there to be value creation, the price the firm charges for the goods or services should be lower than the value the customer places on the goods or services. A company is able to record high profits and so have competitive advantage when it is able to create more value for its customers than would do its rivals in the marketplace. In short, value creation is at the centre of competitive advantage [6].

Porter [40] identifies two strategies for creating value and achieving competitive advantage in an industry:

1) By low cost strategy where by companies maintain lower cost structure which enables them to charge higher prices for their products and therefore record higher profits. In some companies, they could have lower cost structure because of efficiency in production of goods and services.
2) By differentiation strategy whereby the customers of a company place a high value on the company's product or service as a result of product differentiation (*i.e.* product quality, functionality, and product design).

However, it is noteworthy that it does not follow that a company would always have the lowest cost structure in the industry or that the customers would always place a higher value on the company's products or services for the company to have superior value creation. The important thing for superior value creation to take place is that the gap between the perceived value (V) of the customer on the product and the costs of production (C) should be greater than the gap attained by the company's competitors [6].

It is a known fact in business that the customer is king. Therefore, the products or services of a company are considered to be valuable because the customer has perceived it to be so; not the company. Customer value expectation on a product or service is a customer's anticipated performance of the product or service [41]; it is the amount of benefits that customers expect to get from the purchase of a particular product or service. It represents the difference between the value customers' gain from the use of a product and the cost of the product or service. In the literature, different types of customer expectations have been identified. For instance, Miller [41] identifies four types: 1) ideal; 2) expected; 3) minimum tolerable; and 4) desirable; while Day [42] considers expectations that are about costs, the product nature, efforts in obtaining benefits, and expectations of social values.

Furthermore, customer value is proactive because it reflects the customer's state of assessing the difference between the benefits a product offers and the costs before purchase (pre-purchase). Customer value is said to be high if the customer gains more benefits from the product or service compared to the cost of the product or service; and it is said to be low if the customer gains less benefits from the product or service compared to the cost of the product or service [43] [44]. Generally, where the customer's perceived value of a product or service (pre-purchase expectation) is high, it is easy to attract a good number of customers to that product but where its perceived value is low; the number of new customers it could attract is also low. Customer value is linked to quality, efficiency, brand, delivery, and after sale service, which are the benefits that buyers expect from the product; which will definitely pay the customer more than what he or she pays for the product or service. It involves comparing an offering with that of competitors, that is, deciding which product or service offers more benefits with lower costs [43] [44].

From the above, a service is said to be valuable from the point of view of the customer or consumer based on the cost or differentiation in terms of quality; functionality, and design; efficiency; brand; delivery; etc. In the case of the electricity distribution company, if the cost to the consumer is unnecessarily outrageous it borders on fraud to bill consumers on estimated and coded billing system while the service delivery has been consistently poor.

In summary, the review of literature shows that there is a current literature gap in the previous works on spirituality in business. For instance, the work done by Orlitsky and Rynes (2003) in [8] shows a significant relationship between socially responsible business practices and financial performance; while

Verschoor in [8] found that companies which have defined corporate commitment to ethical principles perform better than companies that do not show commitment to ethics as a prominent component of management. On their part, Kapoor and Sandhu [38] argue that competition among business rivals is now based on the positive customer perceptions about the quality and the nature of a company's products and services, as well as its environmental awareness, and its government and community relations.

The focus of these studies is on the relationship between socially responsible business practices and financial performance; comparison of companies that embrace commitment to ethical principles and those that do not; and how competition among rivals now depends on positive customer perceptions on the quality and nature of a firm's products and services. However, none was able to delve into the area of examining a relationship between spirituality in value creation for the consumers and the firm's unbridled commitment to profit. In particular, while Kapoor and Sandhu [38] focus on how positive customer perceptions on the quality and nature of a firm's products and services could provide competitive advantage for a firm over its rivals, it failed to look into the direction of how a firm's unbridled commitment to profit could affect the firm's ability to create value for the firm that would, in turn, lead to the positive perceptions of the firm's products and services. There lies the research gap in the literature that this study would attempt to fill.

3. Methodology

The focus of this study is on the electricity consumers under the Ikeja Electricity Distribution Company, Lagos; which forms a microcosm of the privatized electricity industry in Nigeria. In all, there are 11 companies that are in the distribution domain of the electricity supply chain in Nigeria. However, considering the size of the area covered by the Ikeja Electricity Distribution Company, Lagos, the study adopted the multi-stage sampling technique. Of the Local Governments Areas in the operational domain of the Company, Alimosho Local Government became the target population which was stratified into high income consumers, middle income consumers, and low income consumers. Subsequently, the sample was drawn from the strata using the simple random sampling technique. With the use of Raosoft sample size calculator, the sample size was 377 with an assumed population of 20,000.

The questionnaire was formulated based on Likert scale; and the questionnaire was pre-tested with 102 respondents using test-retest reliability which gave $r_s = 0.90$. In the main study, out of the 377 copies of the questionnaire distributed to electricity consumers in Alimosho Local Government of Lagos State, 322 copies were returned fully completed which represents 85.41% response rate.

4. Analysis of Data

In respect of the first objective of the study, as shown in **Table 1**, out of 322 respondents, 223% or 69.25% strongly agree, 45% or 13.98% Agree, 4% or 1.24% undecided, 29% or 9.01% disagree, and 21% or 6.52% strongly disagree that there were no additional funds injected by company to increase installed capacity to meet expansion and provide valuable service to consumers. Also, 209% or 64.91% Strongly Agree, 38% or 11.80% Agree, 2% or 0.62% undecided, 49% or 15.22% disagree, and 24% or 7.45% strongly disagree that there was no increase in shareholders' funds for better ethical value creation because company depended on government intervention funds for recapitalization.

Furthermore, 211% or 65.52% strongly agree, 51% or 15.84% Agree, while 31% or 9.63% disagree or 29% or 9.01% strongly disagree that the company was not ready to source funds on interest for better ethical value creation because the interest will be a permanent charge on its revenue. The results also show that 221% or 68.63% strongly agree, 47% or 14.60% agree, 1% or 0.31% undecided, 23% or 7.14% disagree and 30% or 9.32% strongly disagree that company is not willing to take the financial risk attached to borrowed funds to create value for consumers even though it is a cheaper source of funds than equity.

Table 1. Analysis of some likert scale statements by percentages.

No	Statement	SA	%	A	%	U	%	D	%	SD	%	Total	Total %
1.	There were no additional funds injected by company to increase installed capacity to meet expansion and provide valuable service to consumers	223	69.25	45	13.98	4	1.24	29	9.01	21	6.52	322	100
2.	There was no increase in shareholders' funds for better ethical value creation because company depended on government intervention funds for recapitalization	209	64.91	38	11.80	2	0.62	49	15.22	24	7.45	322	100
3.	Company was not ready to source funds on interest for better ethical value creation because the interest will be a permanent charge on its revenue	211	65.52	51	15.84	0	0	31	9.63	29	9.01	322	100
4.	Company not willing to take the financial risk attached to borrowed funds to create value for consumers even though a cheaper source of funds than equity	221	68.63	47	14.60	1	0.31	23	7.14	30	9.32	322	100
5.	In management of working capital, company is very quick at collecting receivables but slow at returning money from fraudulent estimated and coded billings	208	64.59	53	16.46	3	0.93	27	8.39	31	9.63	322	100
6.	Service is not valuable to consumers because no efficiency, no quality, no innovation, and no customer responsiveness in company's services	212	65.84	49	15.22	2	0.62	41	12.73	18	5.59	322	100
7.	Emphasis is on profitability as against liquidity hence there must be overbilling resulting in huge unpaid fraudulent bills	207	64.29	53	16.46	1	0.31	29	9.01	32	9.93	322	100
8.	Company wants maximum returns on investment without risk instead of a mix for ethical value creation	213	66.15	44	13.66	3	0.93	33	10.25	29	9.01	322	100

Source: Field Survey, 2018.

To the statement as to whether in the management of working capital, the company is very quick at collecting receivables but slow at returning money from fraudulent estimated and coded billings, 208% or 64.59% strongly agree, 53% or 16.46% agree, 3% or 0.93% undecided, 27% or 8.39% disagree, and 31% or 9.63% strongly disagree. Also, 212% or 65.84% strongly agree, 49% or 15.22% agree, 2% or 0.62% undecided, 41% or 12.73% disagree, and 18% or 5.59% strongly disagree that service is not valuable to consumers because no efficiency, no quality, no innovation, and no customer responsiveness in company's services.

The results also show that 207% or 64.29% strongly agree, 53% or 16.46% agree, 1% or 0.31% undecided, 29% or 9.01% disagree, and 32% or 9.93% strongly disagree that company's emphasis is on profitability as against liquidity hence there must be overbilling resulting in huge unpaid fraudulent bills. Moreover, 213% or 66.15% strongly agree, 44% or 13.66% agree, 3% or 0.93% undecided, 33% or 10.25% disagree, and 29% or 9.01% strongly disagree that company wants maximum returns on investment without risk instead of a mix for ethical value creation.

With regard to the Objective two, as shown in **Table 2**, out of 322 respondents, 213% or 66.77% strongly agree, 39% or 12.11% agree, 5% or 1.55% undecided, 31% or 9.63% disagree, and 32% or 9.94% strongly disagree that company's refusal to install meters in old layout is due to commitment to fraudulent estimated billing. Also, 199% or 61.80% strongly agree, 63% or 19.57% agree, 3% or 0.93% undecided, 41% or 12.73% disagree, and 16% or 4.97% strongly disagree that company's categorization of some meters as malfunctioning is due to commitment to fraudulent coded billing.

Table 2. Analysis of some likert scale statements by percentages.

No	Statement	SA	%	A	%	U	%	D	%	SD	%	Total	Total %
1.	Company's refusal to install meters in old layout is due to commitment to fraudulent estimated billing	215	66.77	39	12.11	5	1.55	31	9.63	32	9.94	322	100
2.	Company's categorization of some meters as malfunctioning is due to commitment to fraudulent coded billing	199	61.80	63	19.57	3	0.93	41	12.73	16	4.97	322	100
3.	Company's refusal to install meters for new consumers is a deliberate plan to avoid billing based on actual meter readings	201	62.42	57	17.70	3	0.93	34	10.56	27	8.39	322	100
4.	Company has been accused of reprogramming the pre-paid meters to read faster	211	65.53	49	15.22	4	1.24	30	9.32	28	8.69	322	100
5.	Illegal disconnections over unpaid fraudulent estimated and coded bills are to cajole consumers to pay such bills	214	66.46	43	13.35	2	0.62	29	9.01	34	10.56	322	100
6.	Field staff collect bribes from consumers to avoid disconnection over unpaid fraudulent estimated and coded bills	198	61.49	55	17.08	5	1.55	30	9.32	34	10.56	322	100

Source: Field Survey, 2018.

To the statement as to whether company's refusal to install meters for new consumers is a deliberate plan to avoid billing based on actual meter readings, 201% or 62.42% strongly agree, 57% or 17.70% agree, 3% or 0.93% undecided, 34% or 10.56% disagree, and 27% or 8.39% strongly disagree. Also, 211% or 65.53% strongly agree, 49% or 15.22% agree, 4% or 1.24% undecided, 30% or 9.32% disagree, and 28% or 8.69% strongly disagree company has been accused of reprogramming the pre-paid meters to read faster.

Moreover, 214% or 66.46% strongly agree, 43% or 13.35% agree, 2% or 0.62% undecided, 29% or 9.01% disagree, and 34% or 10.56% strongly disagree that illegal disconnections over unpaid fraudulent estimated and coded bills are to cajole consumers to pay such bills. Also, the results show that 198% or 61.49% strongly agree, 55% or 17.08% agree, 5% or 1.55% undecided, 30% or 9.32% disagree, and 34% or 10.56% strongly disagree that field staff collect bribes from consumers to avoid disconnection over unpaid fraudulent estimated and coded bills.

5. Hypothesis Testing

Hypothesis 1:

The unbridled commitment to pursuit of profits by the electricity distribution companies (Discos) as private investors has a significant effect on their ability to adhere to spirituality in value creation for the electricity consumers (**Table 3**).

Ho: $p \leq 0.5$;

H_A: $p > 0.5$;

$Z_c = 6.90$;

$Z_{t0.05} = 1.645$.

Decision: Reject Ho since $Z_c = 6.90 > Z_t = 1.645$ at 0.05 level of significance using the critical value approach. Using the p-value approach, reject Ho p-value = 0.00001 < 0.05, and accept the alternate hypothesis that the unbridled commitment to pursuit of profits by the electricity distribution companies (Discos) as private investors has a significant effect on their ability to adhere to spirituality in value creation for the electricity consumers.

Hypothesis 2:

The adoption of inherited billing system by the electricity distribution companies (Discos) as private investors has a significant effect on their ability to adhere to spirituality in value creation for the electricity consumers (**Table 4**).

Ho: $p \leq 0.5$;

H_A: $p > 0.5$;

$Z_c = 7.73$;

$Z_{t0.05} = 1.645$.

Decision: Reject Ho since $Z_c = 7.73 > Z_t = 1.645$ at 0.05 level of significance using the critical value approach. Using the p-value approach, reject Ho p-value = 0.00001 < 0.05, and accept the alternate hypothesis that adoption of inherited billing system by the electricity distribution companies (Discos) as private investors has a significant effect on their ability to adhere to spirituality in value creation for the electricity consumers.

Table 3. Unbridled commitment to profits and spirituality in value creation.

	x	freq (f)	f (%)	Fx	f(x - x)²
SA	5	213.00	66.15	330.75	$66.15(5 - 4.20)^2$
A	4	47.50	14.75	59.00	$14.75(4 - 4.20)^2$
U	3	2.00	0.62	1.86	$0.62(3 - 4.20)^2$
D	2	32.75	10.17	20.34	$10.17(2 - 4.20)^2$
SD	1	26.75	8.31	8.31	$8.31(1 - 4.20)^2$
Total		**322**	**100.00**	**420.26**	**301.86**

Source: Field Survey, 2018. Note: These figures in Table 3 were generated by taking the average of the scores in questions 1 - 8 of the questionnaire.

Table 4. Adoption of estimated billing and spirituality in value creation.

	x	freq (f)	f (%)	Fx	f(x - x)²
SA	5	206.33	64.08	320.40	$64.08(5 - 4.16)^2$
A	4	51.00	15.84	63.36	$15.84(4 - 4.16)^2$
U	3	3.67	1.14	3.42	$1.14(3 - 4.16)^2$
D	2	32.50	10.09	20.18	$10.09(2 - 4.16)^2$
SD	1	28.50	8.85	8.85	$8.85(1 - 4.16)^2$
Total		**322**	**100.00**	**416.21**	**223.61**

Source: Field Survey, 2018. Note: These figures in Table 4 were generated by taking the average of the scores in questions 9 - 14 of the questionnaire.

6. Discussion of Findings

There were two hypotheses tested in the study; and they have been able to establish that:

1) The unbridled commitment to pursuit of profits by the electricity distribution companies (Discos) as private investors has a significant effect on their ability to adhere to spirituality in value creation for the electricity consumers.
2) The adoption of inherited billing system by the electricity distribution companies (Discos) as private investors has a significant effect on their ability to adhere to spirituality in value creation for the electricity consumers.

With regard to Objective One, which was to ascertain that the unbridled commitment to the pursuit of profits by the electricity distribution companies (Discos) as private investors in the Nigerian power sector has a significant effect on their ability to adhere to spirituality in value creation for the electricity consumers, the specific findings include:

1) There were no additional funds injected by company to increase installed capacity to meet expansion and provide valuable service to consumers.
2) There was no increase in shareholders' funds for better ethical value creation because company depended on government intervention funds for recapitalization.
3) Company was not ready to source funds on interest for better ethical value

creation because the interest will be a permanent charge on its revenue.

4) Company not willing to take the financial risk attached to borrowed funds to create value for consumers even though it is a cheaper source of funds than equity.
5) In management of working capital, company is very quick at collecting receivables but slow at returning money from fraudulent estimated and coded billings.
6) Service is not valuable to consumers because no efficiency, no quality, no innovation, and no customer responsiveness in company's services.
7) Emphasis is on profitability as against liquidity hence there must be overbilling resulting in huge unpaid fraudulent bills.
8) Company wants maximum returns on investment without risk instead of a mix for ethical value creation.

From the literature, we were able to establish that the expectations of the shareholders, who are the investors in a business are quite unique as, more often than not, their expectations run counter to the efforts of the managers in ensuring that the firm is solvent and liquid. They are only interested in their company's profits, no matter how the profits are generated, for personal aggrandizement, and not necessarily for the solvency of the firm. Consequently, some shareholders and investors, from the period of conception of their companies, may not intend for them to remain as going concerns; they would prefer after some years for their companies to go into voluntary liquidation or be declared bankrupt by Court of competent jurisdiction on the pretext that the companies are unable to continue in business. The idea is that the liquidation of the companies would pave way for the emergence of new companies that would reap maximum profits while the businesses last [30].

These findings also find support in the work of Ayodeji [11] and Aminu and Peterside [12] who also observe that owing to the drive for profit by the investors in the power sector, the staff of the privatised PHCN have been retrenched, there are unofficial increases in tariff without commensurate commitment to supply of electricity, and the companies that took over from PHCN are owned by a few political elites and their fronts, including past Presidents, Governors, Ministers, retired military generals, top politicians, top government contractors, etc., who have no experience in the power sector and with little or no capacity to manage the Nigerian power sector. Furthermore, the findings also find support in the work of Omonfoman [20] who argues that one of the challenges in the industry post-privatization is in the area of metering. He particularly notes that there was a huge metering gap, as well as cases of estimated billing, and poor meter maintenance.

In terms of value creation, while Porter [39] points out that ordinarily a company should through the activities it actually carries out directly or indirectly for its customers create and build value and, indeed, gain competitive advantage; Hill and Jones [6] explain that value creation is the value that is created through the strategic positioning of a company in such a way that its capabilities are utilized to transform its tangible and intangible resources through superior efficiency, superior quality, superior innovation, and superior customer responsiveness using the strategies of cost leadership and differentiation. Hill and Jones [6] also argue that for there to be value creation, the price the firm charges for the goods or services should be lower than the value the customer places on the goods or services; and that a company is able to record high profits and so have competitive advantage when it is able to create more value for its customers than would do its rivals in the marketplace.

Regarding the findings as they show that the Ikeja Electricity Distribution Company has not embraced spirituality in business, they find support in the summary of studieson spirituality in business given by McLaughlin [8]. The studies, particularly the ones done by Orlitsky and Rynes (2003) in [8], Verschoorin [8], Lewin in [8], Business Week in [8] and Tends Report in [8], as shown in the literature reviewed, are able to illuminate these findings.

Furthermore, in the case of Objective Two, which was to establish that the adoption by the electricity distribution companies (Discos) of the estimated billing regime inherited from the Power Holding Company of Nigeria has a significant effect on their ability to adhere to spirituality in value creation for the electricity consumers, the following were the specific findings:

1) Company's refusal to install meters in old layout is due to commitment to fraudulent estimated billing.
2) Company's categorization of some meters as malfunctioning is due to commitment to fraudulent coded billing.
3) Company's refusal to install meters for new consumers is a deliberate plan to avoid billing based on actual meter readings.
4) Company has been accused of reprogramming the pre-paid meters to read faster.
5) Illegal disconnections over unpaid fraudulent estimated and coded bills are to cajole consumers to pay such bills.
6) Field staff collect bribes from consumers to avoid disconnection over unpaid fraudulent estimated and coded bills.

From the literature, we were able to establish that there is a growing body of research by some scholars which shows that ethics and spiritual values in the workplace could lead to increased productivity and profitability, customer loyalty, brand reputation, as well as reduction in labour turnover and a high level of employee retention. As a result, more employers are embracing spirituality in the workplace as a way of boosting the acceptance and adoption of ethical and spiritual values among organizational members; and to increase staff morale, as well as to ensure that the products and services are produced and provided to the customers and clients based on ethical and moral standards. The results of the study have established that the Ikeja Electricity Distribution Company's refusal to install meters in old layout is due to commitment to fraudulent estimated billing; its categorization of some meters as malfunctioning is due to commitment to fraudulent coded billing; and company's refusal to install meters for new consumers is a deliberate plan to avoid billing based on actual meter readings. Other findings include the fact that the company has been accused of reprogramming the pre-paid meters to read faster; and that the illegal disconnections over unpaid fraudulent estimated and coded bills are to cajole consumers to pay such bills.

The argument of Kapoor and Sandhu [38] in the literature is that competition among business rivals is now based on the positive customer perceptions about the quality and the nature of a company's products and services, as well as its environmental awareness, and its government and community relations. Furthermore, recent research has also pointed out that when corporate social responsibility is integrated into management operations, the result is that it enhances social and financial performance.

It is a known fact in business that the customer is king. Therefore, the products or services of a company are considered to be valuable because the customer has perceived them to be so; not the company. Customer value expectation on a product or service is a customer's anticipated performance of the product or service [8]; it is the amount of benefits that customers expect to get from the purchase of a particular product or service. It represents the difference between the value customers' gain from the use of a product and the cost of the product or service.

These findings also find support in the empirical documentary evidence of estimated and coded billing of a consumer by the Ikeja Electricity Distribution Company in **Appendix 1.** As shown in the document, the company had argued that the fraudulent estimated and coded billing on the consumer's account was done because the meter was "working anti-clockwise". However, when the consumer confronted the company with readings on the meter which he had personally taken between from 1st May to 8th July, 2014, unknown to the company, it agreed that because "there is a feel of disparity here we shall reinvestigate your complaint". This was no doubt an acknowledgement on the part of the company that the billing was fraudulent.

Even with that tacit admission of fraud, the company only subsequently in November 2014 commenced billing based on actual readings on the same meter which was initially declared to be "working anti-clockwise". However, the company has failed, refused, and neglected to wipe out the N91,000 arising from the fraudulent and unethical estimated and coded billings in spite of several letters from the consumer requesting the company to wipe it off from their books as clearly stated in **Appendix 1** herein.

7. Conclusions and Recommendations

The results of this study have achieved the two objectives for which it was carried out. In particular, the study confirms that the company has unbridled commitment to profit as against liquidity; and this is shown in its adoption of the estimated and coded billing as the source of making fraudulent "paper profits". As a result, the firm does not demonstrate any commitment to the goal of spirituality in consumer value creation which has to do with the fear and commitment to God and adherence to spiritual and ethical values. In our opinion, the company's profits arising from the fraudulent and unethical estimated and coded billings are paper profits because such amounts are uncollectible and are therefore not convertible to cash; but deceitfully, such figures could continue to appear in their books as "profits". Looking at performance of the company from the point of view of accounting figures, external users of such figures could be misled into accepting that, based on such "profit" figures, the company is "doing well". In any event, the figures of the Ikeja Electricity Distribution Company and other Discos have never been published for public scrutiny.

However, if, on the contrary, the company was committed to liquidity, it could have embraced spirituality in business by genuinely creating value for the consumers who would be too willing to pay their bills; and the company would make more money and thus achieve liquidity and profitability.

Our recommendation therefore is that the company should immediately jettison the initial mind set of coming into the "virgin" business area of making cheap profits in a monopolistic domain granted by government and not rendering service that would be of value to the consumers. They should denounce the fraudulent and unethical estimated and coded billing system it inherited from the defunct Power Holding Company of Nigeria (PHCN) and aim at creating value for the consumers through efficiency, quality of service, innovation, and customer responsiveness. If these generic building blocks of competitive advantage are properly embraced by the company in creating value knowing that value creation is at the centre of competitive advantage, it would be sure of gaining competitive advantage over rivals in the event that the deregulation of the industry is allowed by the policy makers to give rise to competition.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

References

[1] Brealey, R.A. and Meyers, S.C. (2003) Principles of Corporate Finance. International Edition, 7th Edition, McGraw-Hill, New York.

[2] Colley, J.L., Doyle, J.L., Logan, G.W. and Stettinus, W. (2003) Corporate Governance. McGraw-Hill, New York, 7-12.

[3] Weihrich, H. and Koontz, H. (2005) Management: A Global Perspective. 11th Edition, Tata McGraw Hill Publishing Ltd., New Delhi.

[4] Drucker, P.F. (2006) Managing for Results. https://www.sciencedirect.com

[5] Weston, J.F. and Brigham, E.F. (1981) Managerial Finance. Holt-Sanders, Hinsdale.

[6] Hill, C.W.L. and Jones, G.R. (2001) Strategic Management Theory: An Integrated

Approach. 5th Edition, Houghton Mifflin Co., Boston.

[7] Organization of Economic Co-Operation and Development (2003) Privatising State-Owned Enterprises: An Overview of Policies and Practices in OECD Countries.

[8] McLaughlin, C. (2009) Spirituality and Ethics in Business. The Centre for Visionary Leadership. http://www.visionarylead.org/spirituality-in-business.html

[9] The Economic Times (2017). https://doi.org/10.1097/01.COT.0000512062.13291.08

[10] Nigerian Electricity Regulatory Commission (2007). https://www.nerc.org

[11] Ayodeji, A. (2012) Oppose the Fraud Called the Privatization of PHCN, Workers' Alternative. http://www.workersalternative.com

[12] Aminu, I. and Peterside, Z.B. (2014) The Impact of Privatization of Power Sector in Nigeria: A Political Economy Approach. *Mediterranean Journal of Social Sciences*, **5**, 111-118. https://doi.org/10.5901/mjss.2014.v5n26p111

[13] BabaGana, I. (2013) Key Lessons of the Privatization of PHCN Successor Companies and Investment Opportunities in the Power Sector. 3rd Edition, PwC.

[14] KPMG (2016) A Guide to the Nigerian Power Sector.

[15] Electric Power Sector Reforms Act 2005. https://rea.gov.ng/download/electric-power-sector-reform-act-2005

[16] Konomi, I. (2015) An Overview of the Albanian Privatization Process. *European Scientific Journal*, **11**, 358-367.

[17] Goodman, J.B. and Loveman, G.W. (1991) Does Privatization Serve the Public Interest? *Harvard Business Review*, **69**, 26-28, 32, 34-36.

[18] Anyanwu, J.C., Oyefusi, S.A., Oaikhenan, H. and Dimowo, F.A. (1997) Structure of the Nigerian Economy (1960-1997). JOANEE Educational Pub. Ltd., Onitsha.

[19] Teese, R. (2002) Early Leaving in Victoria: Graphical Patterns, Origins, and Strategic Issues. Educational Outcomes Research Unit, University of Melbourne, Melbourne.

[20] Omonfoman, O. (2016) Electricity Distribution Companies: The Challenges and Way Forward. Premium Times, January 4.

[21] Marx, K. (1968) Preface to a Contribution to the Critique of Political Economy. In: *Marx and Engels*: *Selected Works in One Volume*, Lawrence and Wishart, London.

[22] Dyke, V.V. (1969) Political Science: A Philosophical Analysis. Stanford University Press, Stanford.

[23] Ojobo, J.A. (2001) The Impact of Privatization Policy on Labour in Africa: A Political Economy Approach. *The Nigerian Journal of Administrative Studies*, **13**.

[24] Nimalathasan, B. (2009) Profitability of Listed Pharmaceutical Companies in Bangladesh: An Inter and Intra Comparison of AMBEE and IBN. Economic and Administrative Series, Volume 3, SINA Companies Ltd..

[25] Gupta, R.K. (1989) Profitability, Financial Structure and Liquidity. Print Well Publishers, Jaipur.

[26] Barthwal, R.R. (1992) Industrial Economics. Willey Eastern Ltd., New Delhi.

[27] Nishanthini, A. and Nimalathasan, B. (2013) Determinants of Profitability: A Case Study of Listed Manufacturing Companies in Sri Lanka. *Journal of Art*, *Social Science and Humanities*, **1**, 42-50. https://doi.org/10.4038/jm.v8i1.7556

[28] Jain, C.P. (1989) Profit Planning and Control. National Publishing House, Jaipur.

[29] Harley, W.C.F. (1979) Cash Planning, Forecasting and Control. Business Books Li-

mited, London.

[30] Peacock, M.A. and Taylor, A.H. (1981) Handbook of Financial Planning. Gower Publishing Co. Ltd., West Woods.

[31] Hampton, J.J. (1983) Financial Decision Making Concepts, Problems and Cases. Prentice Hall of India, New Delhi.

[32] Patel, M. (1995) Corporate Financial Objectives, Some Empirical Findings. In: Agarval, Ed., *Readings in Financial Management*, Indian Institute of Finance, New Delhi.

[33] Al-Qadi, N.S. and Khanji, I. (2018) Relationship between Liquidity and Profitability: An Empirical Study of Trade Service Sector in Jordan. *Research Journal of Finance and Accounting*, **9**, 153-157.

[34] Montreyae, P. and Purnachandra, S. (2015) Workplace Spirituality—The Essence of Modern Business Organizations. *International Journal of Research and Development—A Management Review*, **4**, 50-56.

[35] Saraswat, S.P. (2005) Reflections on Spiritual Foundations of Human Values for Global Business Management Vision. *The Journal of Business Perspective*, **9**, 1-9. https://doi.org/10.1177/097226290500900301

[36] Krishnan, V.R. (2008) The Impact of Transformational Leadership on Followers' Duty Orientation and Spirituality. *Journal of Human Values*, **14**, 11-22. https://doi.org/10.1177/097168580701400103

[37] Gupta, R.K. and Pandey, A. (2008) Spirituality in Management: A Review of Contemporary and Traditional Thoughts and Agenda for Research. *Global Business Review*, **9**, 65-83. https://doi.org/10.1177/097215090700900105

[38] Kapoor, S. and Sandhu, H.S. (2010) Does It Pay to Be Socially Responsible? An Empirical Examination of Impact of Corporate Social Responsibility on Financial Performance. *Global Business Review*, **11**, 185-208. https://doi.org/10.1177/097215091001100205

[39] Porter, M.E. (1985) Competitive Advantage: Creating and Sustaining Superior Performance. Free Press, New York.

[40] Porter, M.E. (1980) Competitive Strategy: Techniques for Analysing Industries and Competitors. Free Press, New York.

[41] Miller, J.A. (1977) Studying Satisfaction, Modifying Models, Eliciting Expectations, Posing Problems, and Making Meaningful Measurements. In: *Conceptualization and Measurement of Consumer Satisfaction and Dissatisfaction*, Marketing Science Institute, Cambridge.

[42] Day, R. (1977) Consumer Satisfaction, Dissatisfaction and Complaining Behaviour. *Proceedings of the 2nd Annual Consumer Satisfaction/Dissatisfaction and Complaining Behavior Conference*, 20-22 April 1977.

[43] Anderson, J.C. and Narus, J.A. (1998) Business Marketing: Understand What Customers Value. *Harvard Business Review*, **76**, 53-67.

[44] Ali, R., Leifu, G., YasirRafiq, M. and Hassan, M. (2015) Role of Perceived Value, Customer Expectation, Corporate Image and Perceived Service Quality on the Customer Satisfaction. *The Journal of Applied Business Research*, **31**, 1425-1436. https://doi.org/10.19030/jabr.v31i4.9328

Appendix 1

EMPIRICAL EVIDENCE ON FRAUDULENT CRAZY, ESTIMATED AND CODED BILLING

The offices of the Electricity Distribution Companies nationwide are inundated with customers' complaints, through visits, or by written and/or online messages which if properly attended to would have given rise to a high level of customer responsiveness. On the contrary, the complaints are never properly handled by the electricity companies and this therefore reduces the value placed on their services by the consumers.

FRAUDULENT ESTIMATED AND CODED BILLS ON METER NO XYZ, ACCOUNT NO ABC, ALIMOSHO, LAGOS, UNDER IKEJA ELECTRICITY DISTRIBUTION COMPANY.

The billings on meter NoXYZ**,** ACCOUNT NO ABC, Gowon Estate, Lagos, show the unethical and fraudulent manner the Ikeja Electricity Distribution Company deals with its consumers.

Meter Readings Taken Personally By the Consumer on the Meter from 1st May to 8th July, 2014

Date	Meter Reading
1st May	60,574
4th May	60,593
14th May	60,655
20th May	60,754
25th Jun	60,831
8th July	60,917

In spite of the above consistent and progressive meter readings taken by the consumer from 1st May to 8th July, 2014 (unknown to the electricity company) the meter consistently received crazy, estimated, and coded billing from the company based on the deliberate falsehood that the meter was malfunctioning during this period up until November, 2014. On November 18, 2014, a complaint was reported online to Customer care of Ikeja Distribution Company Plc (Ikejaeletric) on the fraudulent estimated billing. The immediate reply of the Customer care Unit of Ikejaelectric to that complaint was:

"Please be informed that investigation carried out revealed that, your meter is working anti-clockwise and therefore cannot be used for billing. This explains why you (sic) account was removed from estimation to coded" (Ikeja Disco *Customer care* (2014), Tuesday, Nov 18, at 3.12 pm).

To prove to the Distribution Company that the meter was functioning properly, and was not "working anti-clockwise" as the Disco claimed, the above meter readings taken personally by the consumer, unknown to the Distribution Company, were forwarded online to the Customercare Unit of the Ikeja Electricity Distribution Company.

In its reply, the Customer care Unit of Ikeja Electricity Distribution Company writes:

"Please be informed that since there is a feel of disparity here we shall reinvestigate your complaint" (Ikeja Disco Customer care (2014), Thursday, Nov 20, at 3.33 pm).

In the subsequent bill for November, 2014 on the same meter that was "**working anti-clockwise"**, a bill showing actual meter reading was sent by Ikeja Electricity Distribution Company as shown below!

Present Reading	Previous Reading	Consumption
61,656	61,204	452

However, up till date, the Ikeja Electricity Distribution Company, in spite of repeated demands in writing and several inspection visits of the company's officials to the consumer's house to inspect meter and other household appliances that could have warranted such crazy billing, the Company has defiantly failed, refused, and neglected to wipe off the illegally and fraudulently accumulated amount of N91,000 (Ninety one thousand Naira), which came out of the crazy, estimated, and coded billing. In other words, although subsequent bills have carried billings based on actual consumption figures, the Company has continued to carry forward the amount that came out of the fraudulent estimated and coded billing as unpaid debt till date.